

STATE BUDGET OFFICE
OFM-Support Services Division

Internal Audit of Year-End Processes

Audit Programs
FY 1999-2000

Overall Objective

To assist the State of Michigan internal auditors in their review of the fiscal year-end closing of their respective agency's accounting records.

Introduction

The attached audit programs are for the following process cycles:

- Accounts Payable
- Accounts Receivable
- Federal Financing
- Prior Audit Findings

These audit programs are intended to guide and assist internal auditors in helping their respective departments achieve its financial management goals. The gathering of information and performing the audit steps detailed herein is one-step auditors can take to assist in the process of accurate financial reporting.

We would like to emphasize that these reviews need not be done only at year-end, they can also be done on an interim basis to ease the burden of both the auditor and their department's finance services staff.

Another step that can be undertaken is to obtain a copy of the Agency Interim Assessment (this is available on the OFM website). Working through the requirements of this document will further enhance your understanding of the on-going financial activities of your department.

The audit programs are purposely broader in focus than the letter of assurance requirements set forth in the OFM's August 30, 2000 memorandum. The audit programs reflect the idea that these reviews should be part of an on-going effort by internal audit to monitor and assess their department's financial management activities. Fulfilling the letter of assurance requirements should be viewed as the minimum work to be performed associated with internal audit's year-end closing responsibilities.

Keep in mind that the audit programs are simply guidelines. Each department's internal auditor should customize them so that they are in-line with their department's current operating practices for the process cycles in question.